92-677

No.

Supreme Court, U.S.
FILED
OCT 19 1992
OFFICE OF THE CLERK

In The
Supreme Court of the United States
October Term, 1992

CENTURY LIFE OF AMERICA,
Petitioner,

vs.

CENTURY 21 REAL ESTATE CORPORATION,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

RICHARD BUSHNELL*
CYNTHIA A. BUSHNELL
TREXLER, BUSHNELL, GIANGIORGI
& BLACKSTONE, LTD.
105 West Adams Street, 36th Floor
Chicago, Illinois 60603
(312) 704-1890

* *Counsel of Record*

Chicago Legal Copies Inc. (312) 332-7777

QUESTIONS PRESENTED

1. Are findings relating to the thirteen evidentiary factors set forth in *In re E.I. Du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973) findings of fact subject to the clearly erroneous standard of review, and if so, did the Court of Appeals for the Federal Circuit violate Rule 52(a) of the Federal Rules of Civil Procedure when it set aside the Trademark Trial and Appeal Board's findings of fact without determining such findings of fact to be clearly erroneous?

2. Given the present conflict among the Circuit Courts of Appeal, should the United States Supreme Court determine whether a finding of no likelihood of confusion between trademarks is a finding of fact, as held by the Courts of Appeal for the First, Third, Fourth, Fifth, Seventh, Ninth, Tenth, and Eleventh Circuits or is a conclusion of law, as held by the Appellate Courts for the Federal Circuit and the Second, Sixth and Eighth Circuits?

3. The Court of Appeals for the Federal Circuit needs guidance from the United States Supreme Court on the effect of evidence of third party use of a mark in connection with related and unrelated services for the purpose of determining the issue of likelihood of confusion between two marks.

4. Does one panel of the Circuit Court of Appeals have the power to disregard a precedent of the same circuit thereby creating a conflict between Federal Circuit decisions and confusion in the law?

PARTIES

The caption of the case in this Court contains the names of all parties to the proceeding in the United States Court of Appeals for the Federal Circuit whose judgment is sought to be reviewed. There is no parent or subsidiary company of Century Life of America to be identified or listed under Rule 29.1 of the Rules of the Supreme Court of the United States, but Century Life of America has a permanent affiliation with CUNA Mutual Insurance Society at 5910 Mineral Point Road, Madison, Wisconsin 53701.

TABLE OF CONTENTS

Page

QUESTIONS PRESENTED i

PARTIES ii

TABLE OF CONTENTS iii

TABLE OF CASES, STATUTES AND OTHER AUTHORITIES v

OPINIONS BELOW 1

JURISDICTION 1

RULE AND STATUTES 2

I. STATEMENT OF CASE 3

A. Introduction 3

B. Background 4

C. Procedural History Of The Case 7

II. REASONS FOR GRANTING THE WRIT 10

A. The Federal Circuit In This Case And Others Has Violated Rule 52(a) Of The Federal Rules Of Civil Procedure By Setting Aside The Board's Central Findings Of Fact Without Determining Them To Be Clearly Erroneous And, Therefore, The Federal Circuit Needs Guidance On What Constitutes A Finding Of Fact On The Issue Of Confusion 10

B. The Supreme Court Should Resolve The Re-Occurring Conflict Between The Circuits On The Proper Standard Of Review On The Issue Of Likelihood Of Confusion So The Appellate Courts Will Apply A Uniform Standard Of Review 20

Page

C. The Supreme Court Should Instruct The Federal Circuit On The Question Of Whether Or Not Third-Party Use Of A Mark On Non-Related Goods Or Services Is Relevant To The Issue Of Likelihood Of Confusion 22

D. The Supreme Court Should Grant This Petition Because A Three Member Panel Of The Federal Circuit Has Improperly Overruled A Prior Decision Of That Court Thereby Creating Conflicting Precedent In The Federal Circuit 24

III. CONCLUSION 27

TABLE OF CASES, STATUTES AND OTHER AUTHORITIES

Page

RULE AND STATUTES:

Fed. Rule Civ. P. 52(a) 2, 9, 10, 11, 15, 19, 22, 27

28 USC 1254(1) 1

15 USC 1063 2

15 USC 1071 3

CASES:

Ambrit, Inc. v. Kraft, Inc., 812 F.2d 1531, 1 USPQ2d 1161 (11th Cir. 1986) *cert. denied*, 481 U.S. 1041 (1987) 21

American Home Products Corp. v. Barr Laboratories, Inc. 834 F.2d 368, 5 USPQ2d 1073 (3rd Cir. 1987) 21

Anderson v. City of Bessemer City N.C., 105 S.Ct. 1504, 84 L.ed2d 518 (1985) 22

Atlantic Thermal Plastic Co., Inc. v. Faytex, 1992 U.S. App. Lexis 19151 (1992) 26

In re Bed & Breakfast Registry, 791 F.2d 157, 229 USPQ2d 818 (Fed.Cir. 1986) 23

B.V.D. Licensing v. Body Action, 846 F.2d 727, 6 USPQ2d 1719 (Fed.Cir. 1988) 14, 17, 24, 25, 26

Coherent, Inc. v. Coherent Technologies, Inc., 935 F.2d 1122, 19 USPQ2d 1146 (10th Cir. 1991) 21

Dennison Mfg. Co. v. Panduit, 475 U.S. 809 (1986) 10

In re E.I. Du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973) 8, 11, 18

Eclipse Associates Ltd. v. Data General Corp., 894 F.2d 1114, 13 USPQ2d 1885 (9th Cir. 1990) 21

Page

Elby's Big Boy, Inc. v. Frisch's Restaurant's, Inc., 459 U.S. 916, S.D.Oh. 661 F.Supp 971; 4 USPQ2d 1837, Aff'd (6th Cir.) 849 F.2d 1012 20

Electronic Design & Sales v. Electronic Systems, 954 F.2d 713, 21 USPQ2d 1388 (Fed.Cir. 1992) 16

Enco Mfg. Co. v. Clamp Manufacturing Company, 493 U.S. 872 (1989) 20

Euroquilt, Inc. v. Scandia Down Corp., 475 U.S. 1147 (1986) ... 20

G. Heileman Brewing Company v. Anheuser-Busch, Inc., 873 F.2d 985, 10 USPQ2d 1801 (7th Cir. 1989) 21

Giant Food, Inc. V. Nation's Foodservice, Inc., 710 F.2d 1565, 218 USPQ 390 (Fed.Cir. 1983) 19

Hasbro, Inc. v. Lanard Toys Ltd., 858 F.2d 70, 8 USPQ2d 1345 (2nd Cir. 1988) 21

Information Resources v. X Press Information, 6 USPQ2d 1034, 1039 (TTAB 1988) 23

Inwood Laboratories, Inc. v. Ives Laboratories, Inc., 456 U.S. 844 (1982) 10, 15, 16, 22

Keebler Co. v. Rovira Biscuit Corp., 624 F.2d 366, 207 USPQ 465 (1st Cir. 1980) 21

Kellogg Company v. Pack'em Enterprises, 951 F.2d 330, 21 USPQ2d 1142 (Fed.Cir. 1991) 19

Kenner Parker Toys, Inc. v. Rose Art Industries, Inc., 22 USPQ2d 1453 (Fed.Cir. 1992) 17, 19, 21, 25, 26

Kimberly-Clark v. H. Douglas Enterprise, 774 F.2d 1144, 227 USPQ 541 19

Kingsdown Medical Consultants, Ltd. v. Hollister, Inc., 863 F.2d 867, 9 USPQ2d 1384 (Fed.Cir. 1988) U.S. *cert. denied* 490 U.S. 1067 (1989) 25

Little Ceasar Enterprises, Inc. v. Pizza Ceasar, Inc., 834 F.2d 568, 4 USPQ2d 1942 (6th Cir. 1987) 21

Page

Newell Co., v. Kenny Mfg. Co., 864 F.2d 757, 9 USPQ2d 1417 (Fed.Cir. 1988) 25

Nina Ricci S.A.R.L. v. E.T.F. Enterprises, Inc., 889 F.2d 1070, 12 USPQ2d 1901 (Fed.Cir. 1989) 21

Pizzeria Uno Corp. v. Temple, 747 F.2d 1522, 224 USPQ 185 (4th Cir. 1984) 21

Scandia Down Corp. v. Euroquilt, Inc., 772 F.2d 1423, 227 USPQ 138 (7th Cir. 1985) *cert. denied* 475 U.S. 1147 (1986) 21

Specialty Brands, Inc. v. Coffee Bean Distributors, Inc., 748 F.2d 669, 223 USPQ 1281 (Fed.Cir. 1984)..... 19, 21, 25

Stock Pot Restaurant, Inc. v. Stockpot, Inc., 737 F.2d 1576, 222 USPQ 665 (Fed.Cir. 1984) 11

Sun Banks of Florida, Inc. v. Sun Federal Savings & Loan Association, 651 F.2d 311, 211 USPQ 844 (5th Cir. 1981)..... 21

United States v. National Association of Real Estate Boards, 339 U.S. 485 (1950) 10

United States v. United States Gypsum, 333 U.S. 364 (1984)... 10

Weiss Associates, Inc. v. HRL Associates, Inc., 902 F.2d 1546, 14 USPQ2d 1840 (Fed.Cir. 1990)..... 11

No.

In The
Supreme Court of the United States
October Term, 1992

CENTURY LIFE OF AMERICA,
Petitioner,

vs.

CENTURY 21 REAL ESTATE CORPORATION,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

OPINIONS BELOW

The judgment and opinion of the United States Court of Appeals for the Federal Circuit is set out in Appendix pages 1a-9a. The unreported opinion of the Trademark Trial and Appeal Board of the United States Patent and Trademark Office is set out in Appendix pages 10a-27a

JURISDICTION

The decision of the Court of Appeals for which review is sought was issued on July 23, 1992. No application for an extension of time to file this petition for writ of certiorari has been made. The Court's jurisdiction is invoked under 28 U.S.C. §1254 (1).

RULE AND STATUTES

Fed. Rule Civ. P. 52 (a): Findings by the Court

(a) Effect. In all actions tried upon the facts without a jury or with an advisory jury, the court shall find the facts specially and state separately its conclusions of law thereon, and judgment shall be entered pursuant to Rule 58; and in granting or refusing interlocutory injunctions the court shall similarly set forth the findings of fact and conclusions of law which constitute the grounds of its action. Requests for findings are not necessary for purposes of review. Findings of fact, whether based on oral or documentary evidence, shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge the credibility of the witnesses. The findings of a master, to the extent that the court adopts them, shall be considered as the findings of the court. It will be sufficient if the findings of fact and conclusions of law are stated orally and recorded in open court following the close of the evidence or appear in an opinion or memorandum of decision filed by the court. Findings of fact and conclusions of law are unnecessary on decisions of motions under Rule 12 or 56 or any other motion except as provided in subdivision (c) of this rule.

15 U.S.C. 1063: Opposition to Registration

(a) Any person who believes that he would be damaged by the registration of a mark upon the principal register may, upon payment of the prescribed fee, file an opposition in the Patent and Trademark Office, stating the grounds therefor, within thirty days after the publication under subsection (a) of Section 1062 of this title of the mark sought to be registered. Upon written request prior to the expiration of the thirty-day period, the time for filing opposition shall be extended for an additional thirty days, and further extensions of time for filing opposition may be granted by the Commissioner for good cause when requested prior to the expiration of an extension. The Commissioner shall notify the applicant of each extension of the time for filing opposition. An opposition may be amended under such conditions as may be prescribed by the Commissioner.

15 U.S.C. 1071: Appeal to Courts

(a) Persons entitled to appeal; United States Court of Appeals for the Federal Circuit; waiver of civil action; election of civil action by action by adverse party; procedure.

(1) An applicant for registration of a mark, party to an interference proceeding, party to an opposition proceeding, party to an application to register as a lawful concurrent user, party to a cancellation proceeding, a registrant who has filed an affidavit as provided in Section 1058 of this title; or an applicant for renewal, who is dissatisfied with the decision of the Commissioner or Trademark Trial and Appeal Board, may appeal to the United States Court of Appeals for the Federal Circuit thereby waiving his right to proceed under subsection (b) of this section: Provided, That such appeal shall be dismissed if any adverse party to the proceeding, other than the Commissioner, shall, within twenty days after the appellant has filed notice of appeal according to paragraph (2) of this subsection, files notice with the Commissioner that he elects to have all further proceedings conducted as provided in subsection (b) of this section. Thereupon the appellant shall have thirty days thereafter within which to file a civil action under subsection (b) of this section, in default of which the decision appealed from shall govern the further proceedings in the case.

I. STATEMENT OF CASE

A. Introduction

In today's difficult economic time which is fraught with uncertainties, it is more important than ever that legal issues impacting business and the public alike should be clearly resolved. The scope of protection for so called "famous marks" must be properly balanced so as to avoid undue restrictions on others rights to employ commonly used words to identify their products, services or business names. Failure to do so may give broader protection to certain marks than they deserve, which is in direct conflict with the Lanham Act. Few considerations, if any, are more important to the orderly conduct of business than the predictable application of the law to the use of trade-

marks. This Petition seeks to establish clear guidelines for future actions by the public and the Courts and also to resolve important conflicts in prior Circuit Court decisions.

B. Background

Century Life of America, an Iowa Mutual Life Insurance Company, was founded in 1879 by a group of Lutheran Ministers as the "Mutual Aid Society of the German Lutheran Synod of Iowa". In 1937 it became "Lutheran Mutual Life Insurance Company". In 1970, Lutheran Mutual Life opened its sales to persons of all creeds. In 1979, Lutheran Mutual Life commemorated its centennial and adopted the mark "CENTURY II" for certain of its insurance policies. In 1980, in large part to create an insuring entity that would have greater acceptance among non-Lutherans, Lutheran Mutual Life created a subsidiary named "Century Life Insurance Company". Again, the word "Century" was chosen to commemorate the fact that "Lutheran Mutual" had been in business for over 100 years and to indicate this fact to the public.

In the years following the introduction of the "Century" subsidiary, there was continual discussion within Lutheran Mutual Life as to whether the parent organization itself should adopt a new name to broaden its appeal to a new generation of prospective policy holders.

From approximately 1981 through the end of 1984, Lutheran Mutual Life expended a substantial amount of time and resources in deciding whether to change its name, investigating and choosing the name. Lutheran Mutual's top management retained the services of a public relations firm Hill & Knowlton to aid in the process of choosing a name that projected the images of strength, stability, reliability, dependability, age, permanence and patriotism — qualities that are received positively by insurance purchasers. After long and careful consideration within and without the company, Lutheran Mutual narrowed down the list of prospective names to a few candidates.

Subsequently, Century Life of America hired Opinion Research Corporation to conduct a further study to determine what commercial impressions were created by the selected names

which included the words "Century", "America" and "American".

The Opinion Research Study concluded that the word "Century" conveyed the image of strength, stability and permanence and the words "America" and "American" communicated a complimentary image of trustworthiness, confidence and patriotism. Accordingly, Opinion Research concluded that the combination of these words would project the desired image. The testimony of record reveals the Petitioner chose its mark CENTURY LIFE OF AMERICA and name on the basis of this study. [17a]

The Board found that the primary business of Century Life of America is selling life insurance to families. Sales amount to approximately 1 1/2 billion a year in insurance coverage with premium income on new policies at 120 million. Century Life of America primarily conducts business from Pennsylvania through Nebraska with operations on the West Coast and in Texas. Further, the Board found that the testimony revealed that Century Life of America sells its insurance products through a field force of 500 sales people, all of whom are employees of the company, and who work out of 35 agency offices. Less than 2% of the Applicant's business comes through the sale of its insurance services through independent brokers. Such brokers are those with whom its field managers have a personal relationship. [17a, 18a]

Century Life of America's advertising expenditures are approximately $300,000 per year. This figure rose to $1.3 million in 1985 because of additional promotion of the name change to Century Life of America. Further, advertising by individual salespeople and agents represent an additional $60,000-70,000 annually, with $150,000 being spent by those sources during the year the name was changed to Century Life of America. [18a]

Century 21 Real Estate Corporation was formed in 1971, and its primary business is the franchising of independent real estate brokers. The Board found that the franchisees operate under the name Century 21 Real Estate Corporation and a "doing business as" name, for example, Century 21 Jones Realty. The Board stated that the record revealed that the mark CENTURY 21 has achieved strong recognition by the American public in

connection with real estate services through substantial advertising on television as well as radio commercials and print advertising. However, the Board found from the evidence that any fame of the mark CENTURY 21 extended only to real estate services and not to insurance services. Century 21 Real Estate Corporation failed to provide any information as to the amount of money it has spent on advertising its insurance services. Further, the Board determined that in many of the examples of insurance advertising, the real focus of the advertising is real estate brokerage services. [14a]

Beginning in 1978, Century 21 Real Estate Corporation started to develop full-service franchisees, including mortgage insurance and commercial investment sales, as well as the sales of securities and some automation. However, the Board stated that real estate brokerage, remains the primary business of Century 21 Real Estate Corporation. The Board found opposer's 1988 insurance related income was only $16 million. [15a, 16a]

Prior to 1982, Century 21 Real Estate Corporation's subsidiary began offering insurance through the Century 21 Real Estate Corporation's franchisee's offices. Rather than draw upon the mark "CENTURY 21" directly, these insurance efforts were put forth under the mark NEIGHBORHOOD PROFESSIONAL INSURANCE AGENCY, INC. This insurance was geared to real estate, and included homeowners, renters and condominium owners' insurance.

In 1982, the subsidiary's name was changed to Cenguard Insurance Agency and Century 21 Real Estate Corporation began using the mark Cenguard for insurance services. After Century 21 Real Estate Corporation was acquired by Metropolitan Life Insurance Company in 1985, the name of Century 21 Real Estate Corporation's subsidiary was changed to Century 21 Insurance Services. [15a, 16a]

The Board determined that approximately 1400 of Century 21 Real Estate Corporation's franchisees are part of Century 21 Real Estate Corporation's insurance program. Century 21 Real Estate Corporation real estate franchisees who choose to participate in the current program have three options: (1) an account executive, who is an employee of Century 21 Real Estate

Corporation Insurance Services, maintains an insurance services desk in the franchisee's office; (2) the franchisee sells homeowners insurance directly, but refers the sale of complicated insurance products to an account executive, or; (3) the franchisee sells insurance with no restriction on which companies he/she represents as long as one of the lines is from Metropolitan Life, the parent corporation of Century 21 Real Estate Corporation.

The Board also found that 90% of the franchisees participating in the insurance program choose option 1. Importantly, the Board also determined that opposer's scenario of independent brokers handling both companies' insurance products is not supported by the record. [16a, 17a]

C. Procedural History Of The Case

On March 5, 1986, Century Life of America filed Trademark Registration Application No. 586,140 seeking registration of its mark CENTURY LIFE OF AMERICA for insurance underwriting services.

Century 21 Real Estate Corporation opposed the registration of the mark CENTURY LIFE OF AMERICA under Opposition No. 75,090 on the ground that the mark CENTURY LIFE OF AMERICA is confusingly similar to the mark CENTURY 21 for insurance services, real estate broker's services, mortgage broker's services, security broker's services and related financial services.

Century 21 Real Estate Corporation's Opposition No. 75,090 was dismissed by the Board in an unanimous decision on June 20, 1991, holding that the marks CENTURY 21 and CENTURY LIFE OF AMERICA are not confusingly similar. In reaching its conclusion of no likelihood of confusion between the marks, the Board examined the record in light of the relevant factors

for determining the issue of confusion set forth in *In re E.I. DuPont de Nemours & Co.*, 476 F.2d 1357, 1361, 177 USPQ 563,567 (CCPA 1973).[1]

The Board's conclusion was primarily based upon the central finding of fact that the marks CENTURY 21 and CENTURY LIFE OF AMERICA created substantially different overall commercial impressions so as to avoid a substantial likelihood of confusion. Specifically, the Board found that the mark CENTURY LIFE OF AMERICA suggests something that has been around a long time, is established and, in effect, reflects the past. This finding is supported by the dictionary definition of "Century", the testimony of record, and the numerous listings which show companies have adopted the name "Century".

On the other hand, the Board found that the "21" was just as significant as "Century" in the mark CENTURY 21 and therefore the mark must be viewed as a unitary mark which creates an image of the future. The importance of the "21" portion of the mark is supported by the record which includes numerous advertisements stressing the "21" in the mark CENTURY 21. Further, it is obvious that the placement of the "21" after the word "Century" is a reference to the "21st Century" which creates an immediate image of the future.

---

[1] The Court in *In re E.I. Du Pont de Nemours & Co.*, 476 F.2d 1357, 1361, 177 USPQ 563, 567 (CCPA 1973) set forth the following thirteen factors to be considered when determining the issue of confusion between marks: (1) the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression; (2) the similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use; (3) the similarity or dissimilarity of established, likely-to-continue trade channels; (4) the conditions under which and buyers to whom sales are made, i.e., "impulse" vs. "careful", sophisticated purchasing; (5) the fame of the prior mark (sales, advertising, length of use); (6) the number and nature of similar marks in use on similar goods; (7) the nature and extent of any actual confusion; (8) the length of time during and conditions under which there has been concurrent use without evidence of actual confusion; (9) the variety of goods on which a mark is or is not used (house mark, "family" mark, product mark); (10) the market interface between applicant and the owner of a prior mark; (11) the extent to which applicant has a right to exclude others from use of its mark on its goods; (12) the extent of potential confusion, i.e., whether de minimis or substantial, and; (13) any other established fact probative of the effect of use.

The Board's decision was also supported by the findings that the prospective purchasers of insurance services were "careful purchasers", the parties used different channels of trade or brokers to sell their respective services and on evidence of third-party advertisements and telephone directory listings consisting of the word "Century" for both related and non-related services.

Century 21 Real Estate Corporation appealed the dismissal of the opposition to the United States Court of Appeals for the Federal Circuit pursuant to 15 U.S.C. §1071 contending that the Board did not accord enough weight to the fame of the mark CENTURY 21 and that certain findings were clearly erroneous.

In a decision dated July 23, 1992, the Court of Appeals reversed the decision of the Trademark Trial and Appeal Board. In reversing the Board's decision, the Federal Circuit stated that the factual findings of the Trademark Trial and Appeal Board are reviewable under the "clearly erroneous" rule of review, while the ultimate determination of likelihood of confusion is a question of law determined de novo. However, the Federal Circuit did not determine that any of the Trademark Trial and Appeal Board's findings of fact were "clearly erroneous". The Federal Circuit violated Rule 52(a) and either ignored or set aside the Board's findings of fact relating to the aforementioned *Du Pont* factors and substituted its own erroneous fact findings to reach a different conclusion. Obviously, the Federal Circuit believed the marks were similar and ignored the Board's factual findings which clearly supported the Board's conclusion of no likelihood of confusion.

II. REASONS FOR GRANTING THE WRIT

A. The Federal Circuit In This Case And Others Has Violated Rule 52(a) Of The Federal Rules Of Civil Procedure By Setting Aside The Board's Central Findings Of Fact Without Determining Them To Be Clearly Erroneous And, Therefore, The Federal Circuit Needs Guidance On What Constitutes A Finding Of Fact On The Issue Of Confusion

Rule 52(a) of the Federal Rules of Civil Procedure requires that findings of fact not be set aside by a reviewing court unless they are found to be "clearly erroneous". *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 855 (1982); *United States v. National Association Of Real Estate Boards*, 339 U.S. 485, 495 (1950).

Importantly, this Court has held that a finding of fact may be reversed only when "the reviewing Court is left with the definite and firm conviction that a mistake has been made". *Ives, supra*, 465 U.S. at 844; *United States v. United States Gypsum*, 333 U.S. 364, 394-395 (1948). In instances where the Federal Circuit has ignored the standard of review set forth in Rule 52(a), this Court has granted a petition for certiorari vacated the judgment and remanded to the Federal Circuit of Appeals for further consideration under Rule 52(a). *Dennison Mfg. Co. v. Panduit*, 475 U.S. 809 (1986).

The Appellate Court in *Ives, supra*, 456 U.S. at 856 reversed the District Court decision and found that there was contributory infringement. In so doing, the Appellate Court substituted its view of the factual elements going into the conclusion of infringement without using the words "clearly erroneous". In reversing the Appellate Court, the Supreme Court stated that:

> An Appellate Court cannot substitute its interpretation of the evidence for that of the Trial Court simply because the Reviewing Court might give the facts another construction, resolve ambiguities differently, and find a more sinister cast to actions which the District Court apparently deemed innocent.

Furthermore, this Court observed that determining the weight and credibility of evidence is a special province of the trier of fact. Thus, this Court stated that it was also improper under Rule 52(a) for the Federal Circuit Court of Appeals to reverse a District Court's factual findings on which its conclusions of no contributory infringement was based ". . . simply because it would have given more weight to the evidence of mislabeling than did the Trial Court . . .".

Although the Federal Circuit in this case recited that the factual findings of the Trademark Trial and Appeal Board on the issue of likelihood of confusion are reviewable under the "clearly erroneous" rule of review, it merely gave lip service to the applicable standard of review while setting aside or ignoring the Board's findings of fact in order to reach its own conclusion on the similarity or dissimilarity of the marks. Instead, the Federal Circuit has relied upon a "two-tiered" standard of review which allowed it to side-step the Board's findings of fact in support of its conclusion without explanation. Accordingly, this case raises an important question concerning the appropriate standard of review of the issue of trademark confusion which will have widespread impact on the very commercially important area of trademark law.

In determining likelihood of confusion, the Federal Circuit stated that it must first consider the relevant factors set forth in *In re E.I. Du Pont de Nemours & Co.*, 476 F.2d 1357, 1361, 177 USPQ 563, 567 (C.C.P.A. 1973) and then, based thereon, determine whether there exists a likelihood of confusion. With the analysis so structured, findings with respect to each of the *Du Pont* factors are findings of fact reviewable under the clearly erroneous standard. *Stock Pot Restaurants, Inc. v. Stockpot, Inc.*, 737 F.2d 1576, 1578-79, 222 USPQ 665, 666-67 (Fed.Cir. 1984); *Weiss Associates, Inc. v. HRL Associates, Inc.*, 902 F.2d 1546, 14 USPQ2d 1840 (Fed.Cir. 1990).

In the present case, the Board considered the following six *Du Pont* factors when reaching its conclusion of no likelihood of confusion:

1. The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression;
2. The similarity or dissimilarity in the nature of the goods or services as described in the application or registration or in connection with which a prior mark is in use;
3. The similarity or dissimilarity of established likely-to-continue trade channels;
4. The fame of the mark CENTURY 21;
5. The nature and number of similar marks or tradenames which begin with the word "Century";
6. The nature of the prospective purchasers of insurance services.

Based upon the standard of review promulgated by the Federal Circuit, the Board's findings of fact with respect to each of the aforementioned factors should have been adopted by the Court unless they were deemed to be clearly erroneous. As previously indicated, the Federal Circuit did not determine that the Board's factual findings with respect to any of the aforementioned factors were clearly erroneous. If the Federal Circuit had properly applied the standard of review, it would have reached the conclusion of no likelihood of confusion.

The following chart illustrates how each of the Board's central findings of fact with respect to the foregoing *Du Pont* factors was improperly set aside by the Federal Circuit:

Trademark Trial & Appeal Board's Findings Of Fact Relating To DuPont Factors	Federal Circuit's Response To The Trademark Trial And Appeal Board's Findings Of Fact
1.A. The Board found that the mark CENTURY LIFE OF AMERICA, with its dominant element CENTURY, suggests "something that has been around a long time, is established, and, in effect, reflects the past." (19a-20a)	1.A. Federal Circuit ignored the Board's finding of fact, and substituted its own finding of fact that the dominant word in both marks is "Century" which creates a confusing commercial impression. (6a)

B. The Board found that Century was not dominant in opposer's mark and that the "21" has equal significance to the word CENTURY because numerous advertisements stressed the significance of the "21". (19a)	B. The Federal Circuit ignored the Board's finding of fact and stated that "Century" was the dominant portion of the mark "CENTURY 21" because it is the lead word. (6a)
C. The Board found that CENTURY 21 created a commercial impression of innovation and the future. (19a)	C. The Federal Circuit ignored the Board's finding of fact and stated that the dominant word in both marks is "Century" creating a confusing commercial impression. (6a)
D. The Board found the fame of the mark accrues to the unitary mark "CENTURY 21" and not the word Century. (22a)	D. The Federal Circuit ignored this finding of fact.
2. The Board found the parties services were substantially identical. (20a)	2. The Federal Circuit found the Board gave insufficient weight to this factor because the mark created the same commercial impression. (6a)
3. The Board found that opposer's scenario of independent brokers handling both companies' insurance products is not supported by the record even though the parties' target audience is the same, and both parties' insurance products are sold by agents. (23a)	3. The Federal Circuit incorrectly stated that the Board held parties employ the same channels of trade. Based upon this incorrect interpretation of the Board's opinion, Federal Circuit went on to find the Board did not give proper weight to this Du Pont factor. (7a)

4. The Board found the mark CENTURY 21 is only famous for real estate brokerage services and not insurance brokerage services, and also found that the fame accruing to opposer's mark is to the composite mark CENTURY 21, not "CENTURY" alone. (21a-22a)	4. The Federal Circuit ignored these findings of fact and stated the Board erred in its consideration of the fame of the mark because the Board improperly relied on *B.V.D. Licensing v. Body Action*, 846 F.2d 727, 6 USPQ2d 1719, 1720 (Fed.Cir. 1988) (8a)
5. Board found that numerous listings in newspapers and telephone directories consisted of or began with "Century" shows public has been exposed to references of "Century". (20a-21a) The record included numerous listings of "Century" for insurance and related services, such as "Century Federal Savings Bank"; "Century Bank"; "Mid Century Insurance Company"; "Century Federal Savings & Loan"; "Century State Bank"; "Century General Insurance Agency"; "Century National Insurance Company"; "Century Realty"; and, "Century West Insurance Agency".	5. The Federal Circuit did not find that the Board's finding of fact as to this evidence was clearly erroneous, but somewhat surprisingly interpreted the record to include a "paucity" of service marks containing "Century" in their names for insurance and related services, and held that the Board incorrectly applied this Du Pont factor because listings for "Century" were not for insurance or related services. (8a)
6. Board found that purchasers of insurance services are careful purchasers. (22a-23a)	6. Federal Circuit did not discuss this Du Pont factor, thus, it improperly set aside the finding of fact without determining it to be clearly erroneous.

As indicated above, the Board's decision in this case was primarily based upon its central factual findings with respect to the different commercial impressions created by the marks in issue. First, the Board determined that Century was not dominant in Opposer's mark and that "21" was just as significant as "Century" in the mark CENTURY 21. This finding of fact was based upon the record, which included numerous advertisements emphasizing the "21" portion of the mark such as, "America's No. 1 Top Seller, Century "21"; "Put your trust in No. 1, Century 21" and "21 Reasons why Century 21 should Sell Your House For You". The Federal Circuit simply ignored the Board's finding by holding that "Century" is central to both marks. [19a]

Interestingly, in determining "Century" to be central to both parties' marks, the Federal Circuit relied on Century 21 Real Estate Corporation's prior registrations for the marks CENTURYNET and CENTURYWRITER[2] notwithstanding the Board's finding that these registrations were not relevant to the confusion issue because the services the marks respectively identify are directed to the Century 21 Real Estate Corporation's real estate brokers rather than to consumers. [6a-19a] Here again, the Federal Circuit ignored the Board's findings of fact with respect to the relevancy of these registrations without holding the Board's findings of fact to be clearly erroneous. As set forth by the Supreme Court, this is a clear violation of Rule 52 (a). *Ives, supra*, 465 U.S at 855.

In related but separate findings of fact at the very center of the parties' dispute, the Board found that the mark CENTURY LIFE OF AMERICA, as a whole, ". . . suggests something that has been around for a long time, is established, and in effect, reflects the past." This factual finding was based on the entire record, which included testimony and exhibits concerning the commercial impression created by the mark and numerous listings of companies which use the word "Century". In contrast

---

[2] CENTURYNET Registration No. 1,350,065 for "leasing access time to a computer data base for mortgage loan information"; CENTURYWRITER Registration No. 1,551,675 for "computer hardware, namely, terminals, printers and central processing units, and computer programs and program manuals sold as a unit for use in the fields of real estate, insurance and mortgages.

to the commercial impression created by CENTURY LIFE OF AMERICA, the Board found that the mark CENTURY 21, when viewed as a whole, creates a commercial impression of innovation or the future. [19a]

The Federal Circuit not only failed to hold these core findings of fact to be "clearly erroneous"; it ignored them all together. It instead declared that Century 21 Real Estate Corporation "muster[ed] considerable evidence to show confusing similarity in appearance, sound, connotation and commercial impression." As noted above, this is directly contrary to *Ives, id.*

> "An Appellate Court cannot substitute its interpretation of the evidence for that of the Trial Court simply because the Reviewing Court might give the facts another construction, resolve ambiguities differently, and find a more sinister cast to actions which the District Court apparently deemed innocent."

The Board's decision was also based, in part, on its findings of fact relating to the different channels of trade. The Board examined the record and found that the realities of the market place indicate that the parties' services are directed through separate brokers or channels of trade. As indicated above, the Board found that while the parties target audience is the same, and both parties insurance products are sold by agents, opposer's scenario of independent brokers handling both parties' insurance products was not supported by the record. Thus, the Board found that the extent of potential confusion is de minimis. This finding is in accord with Federal Circuit decisions which have held that the Court is not concerned with mere theoretical possibilities of confusion or with de minimis situations, but with the practicalities of the commercial world, with which the trademark law deals. *Electronic Design & Sales v. Electronic Systems*, 954 F.2d 713, 21 USPQ2d 1388 (Fed.Cir. 1992)

The Federal Circuit incorrectly interpreted the Board's decision when it stated that the Board held that the parties "employ the same channels of trade". This error led to the Court's holding that the Board incorrectly applied the *Du Pont* factor relating to the channels of trade.

The Board also made the factual determination that the fame of the mark CENTURY 21 accrues to the mark "CENTURY 21" and not to the word "Century" because the "21" has equal significance to the word "Century". This finding of fact was based on the record which included numerous advertisments stressing the importance of the "21" in the mark, as well as numerous listings of companies which use "Century" in their name, many of which are in the insurance business as well as related financial services. In view of the fact that fame accrues to the mark CENTURY 21 as a whole, the Board held that consumers would immediately recognize that the mark CENTURY LIFE OF AMERICA does not contain "21". In so doing, the Board relied, in part, on *B.V.D. Licensing Corp. v. Body Action Design, Inc.*, 846 F.2d 727, 6 USPQ2d 1719 (Fed.Cir. 1988) which held that the fame of the mark can "cut both ways".

Again, the Federal Circuit did not determine that the Board's factual finding with respect to the fame accruing to the mark as a whole was clearly erroneous. As previously set forth, the Federal Circuit chose not to comment on the Board's factual determination that the "21" has equal significance to the word "Century" in the mark CENTURY 21. Instead, the Federal Circuit held that the Board erred by relying on the *B.V.D., id.* case when it suggested that the fame of the mark weighed against a likelihood of confusion. In support of its position, the Federal Circuit relied upon a recent decision written by Judge Rader which purports to clarify that the fame of the mark cannot reduce its protection against a confusingly similar mark. *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 22 USPQ2d 1453 (Fed.Cir. 1992). However, as will be discussed in detail below, the *Kenner Parker* decision improperly reversed the precedent of *B.V.D.*, 846 F.2d at 729, 6 USPQ2d at 1720 when it ignored the clear language of the case.

The Board also found that its decision was buttressed by, but not dependent on, evidence of third-party "Century" names and marks including 183 articles and advertisements in newspapers and over 2000 telephone directory listings consisting of or beginning with the word "Century" for use in association with both related and unrelated services. From this evidence, the Trademark Trial and Appeal Board concluded that the public

would not regard "Century" as such an unusual term in a trade name or mark that they would expect all companies with "Century" in their names to be related, or all products or services with "Century" in their marks to emanate from a single source. [20a-21a]. The record reveals that many of these "Century" tradenames and trademarks were for various financial institutions as well as real estate companies, insurance companies and mortgage companies. For example, the evidence shows such names as "Century Federal Savings Bank"; "Century Bank"; "Mid-Century Insurance Company"; "Century Federal Savings & Loan"; "Century State Bank"; "Century General Insurance Agency"; "Century National Insurance Company"; "Century Realty" and "Century West Insurance Agency".

The Federal Circuit did not determine that the Board's factual finding with respect to this evidence was clearly erroneous. The Federal Circuit erroneously held that the Board improperly applied the *Du Pont* factor concerning third-party evidence because the evidence of record included a paucity of "Century" listings in connection with insurance or related financial services. Once again, the Federal Circuit improperly substituted its own demonstrably erroneous fact findings for those of the Trademark Trial and Appeal Board.

Finally, the Trademark Trial and Appeal Board's decision was based, in part, on its factual finding that the prospective purchasers of insurance services are "careful purchasers" thereby further reducing any likelihood of confusion. The Federal Circuit simply chose to ignore this *Du Pont* factor relating to the nature of the purchasers when reversing the Trademark Trial and Appeal Board's decision.

As previously mentioned, the Board's decision was based, in large part, upon its finding of facts relating to the different commercial impressions created by the marks in question. The Court of Customs and Patent Appeals in *Du Pont*, 476 F.2d at 1361, 177 USPQ at 567, listed thirteen factors which may, from case to case, play a dominant role. The Federal Circuit has held that the issue of confusion can be decided on the single *Du Pont* factor of dissimilarity as to appearance, sound and commercial impression. This *Du Pont* factor has been held to outweigh all

other factors. *Kellogg Company v. Pack'em Enterprises*, 951 F.2d 330, 21 USPQ2d 1142 (Fed.Cir. 1991).

It is respectfully submitted that if the Federal Circuit in this case had adopted and given proper weight to the Board's findings of fact that (1) the marks CENTURY 21 and CENTURY LIFE OF AMERICA create substantially different commercial impressions; (2) the "21" has equal significance to "Century" in the mark CENTURY 21; and (3) the fame of the opposer's marks accrues to the mark "CENTURY 21" and not the word "Century", the Federal Circuit would not have had any other choice but to conclude that these marks are substantially dissimilar in appearance, sound and commercial impression so as to avoid a substantial likelihood of confusion.

As previously indicated, this is not the first case in which the Federal Circuit merely gave lip service to Rule 52(a) while ignoring the Board's findings of fact. For example, in *Specialty Brands v. Coffee Bean Distributors, Inc.*, 748 F.2d 669, 223 USPQ 1281 (Fed.Cir. 1984), the Federal Circuit reversed the Board's finding of no likelihood of confusion between the mark SPICE VALLEY and SPICE ISLAND without holding that the Board's central finding of fact with respect to the commercial impressions created by these marks was clearly erroneous. Instead, the Federal Circuit improperly substituted its own findings of fact to reach a different conclusion.

In *Kimberly-Clark v. H. Douglas Enterprise*, 774 F.2d 1144, 227 USPQ 541 (Fed.Cir. 1985), the Board found that the marks HUGGIES and DOUGIES created substantially different commercial impressions. Once again, the Federal Circuit in *Kimberly-Clark* reversed the Board's decision and substituted its own finding of fact as to the commercial impressions created by the subject marks without determining the Board's findings of fact were clearly erroneous.

Similarly, the Federal Circuit in *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565, 1569, 218 USPQ 390, 394 (Fed.Cir. 1983) reversed the Board's finding of no likelihood of confusion without questioning the underlying facts on which it was based.

Finally, in *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 22 USPQ2d 1453 (Fed.Cir. 1992), the Federal Circuit reversed

the Board's conclusion of no likelihood of confusion without determining the central finding of fact concerning the common, generic portions of the mark to be clearly erroneous.

B. The Supreme Court Should Resolve The Reoccurring Conflict Between The Circuits On The Proper Standard Of Review On The Issue Of Likelihood Of Confusion So The Appellate Courts Will Apply A Uniform Standard Of Review

In this case, the Federal Circuit stated that the underlying findings on the issue of trademark confusion are reviewable under the clearly erroneous standard of review while the conclusion of law is fully reviewable. Such a statement does not solve the problem of what constitutes a finding of fact. There is a split in authority on whether or not likelihood of confusion is a question of pure fact or whether the underlying findings on the issue of confusion are a question of fact subject to the clearly erroneous standard while the ultimate conclusion of confusion is a question of law reviewable de novo.

The problem is reoccurring. In at least three cases since 1982, Justice White has dissented from a denial of certiorari and stated that he would have granted the petition on the question of whether a finding on the likelihood of confusion issue is reviewable on appeal under the "clearly erroneous" standard as a factual question or a rule of de novo review as a conclusion of law. *Elby's Big Boy, Inc. v. Frisch's Restaurant's, Inc.*, 459 U.S. 916 (1982); *Euroquilt, Inc. v. Scandia Down Corp.*, 475 U.S. 1147 (1986); *Enco Mfg. Co. v. Clamp Manufacturing Company*, 493 U.S. 872 (1989).

The resolution of this issue is very crucial to establishing a uniform body of law in the very important area of trademarks. Further, it is respectfully submitted that the issue of confusion is pure fact and should be subject to the clearly erroneous standard of review. As recognized by this Court, the trier of fact is in the best position to review the entire record and make the appropriate factual findings with respect to each of the *Du Pont* factors.

The majority of circuits have held that the issue of likelihood of confusion is a pure question of fact, reviewable on appeal only

under the "clearly erroneous standard of review". *Keebler Co. v. Rovira Biscuit Corp.*, 624 F.2d 366, 377, 207 USPQ 465 (1st Cir. 1980); *American Home Products Corp. v. Barr Laboratories, Inc.*, 834 F.2d 368, 370, 5 USPQ2d 1073, 1074 (3rd Cir. 1987); *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1526-27, 224 USPQ 185, 187 (4th Cir. 1984); *Sun Banks of Florida, Inc. v. Sun Federal Savings & Loan Association*, 651 F.2d 311, 314, 211 USPQ 844 (5th Cir. 1981); *G. Heileman Brewing Company v. Anheuser-Busch, Inc.*, 873 F.2d 985, 999, 10 USPQ2d 1801, 1813 (7th Cir. 1989); *Eclipse Associates Ltd. v. Data General Corp.*, 894 F.2d 1114, 1118, 13 USPQ2d 1885, 1887 (9th Cir. 1990); *Coherent, Inc. v. Coherent Technologies, Inc.*, 935 F.2d 1122, 1125, 19 USPQ2d 1146, 1148 (10th Cir. 1991); *Ambrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1538, 1 USPQ2d 1161, 1166-67 (11th Cir. 1986) cert. denied, 481 U.S. 1041 (1987).

On the other hand, the Federal Circuit, Second Circuit, Sixth Circuit and Eighth Circuit have adhered to a "two-tiered" approach and held that the factual findings are reviewable under the "clearly erroneous" rule of review, while the ultimate determination of likelihood of confusion is a question of law. *Nina Ricci, S.A.R.L. v. E.T.F. Enterprises, Inc.*, 889 F.2d 1070, 1072, 12 USPQ2d 1901 (Fed.Cir. 1989); *Hasbro, Inc. v. Lanard Toys Ltd.*, 858 F.2d 70, 75, 8 USPQ2d 1345, 1350 (2nd Cir. 1988); *Little Ceasar Enterprises, Inc. v. Pizza Ceasar, Inc.*, 834 F.2d 568, 570, 4 USPQ2d 1942, 1944 (6th Cir. 1987).

Although the minority position adopted by the Federal Circuit purports to review the underlying findings of fact under the clearly erroneous rule, as set forth above, such findings are often set aside without explanation enabling the court of review to substitute its own opinion concerning the similarity or dissimilarity of the marks in question for that of the Trademark Trial and Appeal Board. *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 22 USPQ2d 1453 (Fed.Cir. 1992); *Specialty Brands v. Coffee Bean Distributors, Inc.*, 748 F.2d 669, 223 USPQ 1281 (Fed.Cir. 1984).

The danger of reviewing the issue of confusion de novo was recognized by the Seventh Circuit in *Scandia Down Corp. v. Euroquilt, Inc.*, 772 F.2d 1423, 227 USPQ 138 (7th Cir. 1985) cert. denied, 475 U.S. 1147 (1986), when it stated that the decision

of the Supreme Court in *Anderson v. City of Bessemer City N.C.*, 105 S.Ct. 1504, 84 L.ed2d 518 (1985) and the amendment of the Federal Rules of Civil Procedure 52(a) prohibit an Appellate Court from substituting their own view of the conflicting marks for that of the District Courts. The Seventh Circuit held that:

> . . . it would be little short of arrogation for an Appellate Court to claim that just because every Judge can bring to bear his own view of what is similar and what is not, the Appellate Judge's view must be the right one.

It is respectfully submitted that the resolution of this issue is necessary in order to establish a uniform body of case law. Litigants are entitled to know what the law is, and this lack of certainty is unacceptable. Further, as indicated in Section IIA of this Petition for Certiorari, the two-tiered standard of review enables a reviewing court to simply substitute its own opinion as to the similarity or dissimilarity of the marks in question without reviewing the lower courts findings of fact in accordance with Rule 52(a). This Court has long recognized that determining the weight and credibility of evidence is a special province of the trier of fact because the Court of Appeals is bound by the clearly erroneous standard under Rule 52(a) in reviewing factual findings. *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844 (1982).

C. The Supreme Court Should Instruct The Federal Circuit On The Question Of Whether Or Not Third-Party Use Of A Mark On Non-Related Goods Or Services Is Relevant To The Issue Of Likelihood Of Confusion

This case also involves an important question concerning the relevancy of evidence of third-party use of a mark or trade name on non-related goods or services. As previously set forth, the Federal Circuit held that the Board misapplied the *Du Pont* factor concerning evidence of use of similar marks on similar goods or services by relying, in part, on evidence of third-party use of the mark "CENTURY" on unrelated goods or services.

First, the Federal Circuit clearly misapprehended the evidence of record. Century Life of America did submit substantial evidence of third-party use of the name "Century" on a wide variety of services which were both related and non-related to insurance. It is respectfully submitted that evidence of all such use is relevant to establish that the public would not expect all companies with "Century" in their names to be related, or all products or services with "Century" in their marks to emanate from a single source.

The Trademark Trial and Appeal Board has held that evidence of such widespread use, both in related and unrelated fields, of a mark, indicates others have adopted the term to convey its dictionary meaning and therefore, the inclusion of the term in two marks may be an insufficient basis upon which to predicate a holding of likelihood of confusion. *Information Resources v. X Press Information*, 6 USPQ2d 1034, 1039 (TTAB 1988). Further, the Federal Circuit has recognized that evidence of widespread use of a common element of a mark by others on the same or similar services can be used to establish the dictionary meaning of the word. *In re Bed & Breakfast Registry*, 791 F.2d 157, 161, 229 USPQ2d 818 (Fed.Cir. 1986).

In the present case, the Board found that the record revealed that Century Life of America adopted the mark "CENTURY II" and formed a subsidiary called CENTURY LIFE INSURANCE to commemorate its hundredth year anniversary. Similarly, the substantial evidence of third-party use of the name "Century" in connection with both related and unrelated services clearly establishes that many companies adopted the name "Century" to convey its dictionary meaning of 100 years in order to give the commercial impression of longevity. In failing to recognize the relevancy of evidence of such third-party use, the Federal Circuit has ignored the realities of the market place and decided this case in a vacuum. In so doing, the Federal Circuit has given the mark "CENTURY 21" broader protection than it deserves which is in direct violation of the Lanham Act.

The Federal Circuit has set a dangerous precedent which will have a chilling effect on free competition. This decision suggests that the fame of the mark can preclude the registration of other marks which differ substantially in appearance, sound

and meaning. The Federal Circuit has attempted to give Century 21 Real Estate Corporation a monopoly on the word "Century". Numerous companies which have adopted names using the word "Century" in order to convey the dictionary meaning of the word will be at substantial risk even in situations where the only similarities between the marks is the commonly used word "Century". Such result is in direct conflict with the precedent of this Court and the spirit of the Lanham Act.

D. The Supreme Court Should Grant This Petition Because A Three Member Panel Of The Federal Circuit Has Improperly Overruled a Prior Decision Of That Court Thereby Creating Conflicting Precedent In The Federal Circuit

This case also involves an important question concerning the propriety of a panel of the Federal Circuit overturning a prior decision of that Court. The Federal Circuit in *B.V.D. Licensing v. Body Action Design*, 846 F.2d 727, 6 USPQ2d 1719, 1720 (Fed.Cir 1988) expounded a new principle of law when it recognized that a consumer exposed to a famous mark may be able to readily discern variances between the marks in issue.

The Board in this case made the factual determination that the "21" has equal significance to the word "Century" in the mark CENTURY 21. The Board also found that the fame of the mark accrues to the mark as a whole and not to the word "Century". Based upon these crucial findings of fact, the Board went on to determine that consumers, who are used to seeing and treating opposer's mark as the unitary CENTURY 21, would immediately recognize that Applicant's mark does not contain the "21". *B.V.D. Licensing v. Body Action Design*, 846 F.2d 727, 6 USPQ2d 1719, 1720 (Fed.Cir. 1988).

Specifically, the Federal Circuit in *B.V.D.*, 846 F.2d at 729, 6 USPQ2d at 1720 held that:

> The fame of the mark cuts both ways with respect to likelihood of confusion. The better known it is, the more readily the public becomes aware of even a small difference. B.V.D. has that well-known quality to trigger the observer to notice at once that B.V.D., with or without the periods, in either mark is a different symbol . . . .

The Federal Circuit in *B.V.D., id.*, recognized that under some circumstances, consumers familiar with the famous mark can discern differences found in another mark even when it is used in connection with similar goods or services. Clearly, if the public can readily discern the absence of a significant portion of a famous mark, the marks in question will create different commercial impressions.

Thus, the *B.V.D., id.*, case is in accord with the Federal Circuit decisions which have uniformly held that marks, even famous marks, must be viewed in their entireties as to appearance, sound and meaning when determining the issue of confusion. *Specialty Brands v. Coffee Bean Distributors, Inc.*, 748 F.2d 669, 223 USPQ 1281 (Fed.Cir. 1984).

In a previous decision written by Judge Rader, the author of the decision in this case, the three-member panel in *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 22 USPQ2d 1453 (Fed.Cir. 1992) interpreted the *B.V.D.*, 846 F.2d at 727, 6 USPQ2d at 1719 decision when reversing the Trademark Trial and Appeal Board's conclusion that the mark FUNDOUGH was not confusingly similar to the famous mark PLAY-DOH. The three-member panel in *Kenner Parker Toys, id.*, chose to overturn Judge Rich's holding in *B.V.D.* that the "fame of the mark cuts both ways with respect to the likelihood of confusion . . ." and stated that the Federal Circuit could not possibly have meant what it said because famous marks are entitled to a broad scope of protection.

In so doing, the panel in *Kenner Parker Toys* effectively overturned the decision in *B.V.D., supra*, 846 F.2d at 723, 6 USPQ2d at 720, as is explicitly acknowledged by Judge Rader in this case when he stated:

> In *Kenner Parker Toys*, an opinion issued after the Board's decision, this Court clarified that the fame of the mark cannot reduce its protection against confusingly similar marks.

It is well settled that prior decisions of a panel of the Federal Court are binding precedent in subsequent appeals unless overturned in banc. *Newell Co. v. Kenny Mfg. Co.*, 864 F.2d 757, 9 USPQ2d 1417 (Fed.Cir. 1988); *Kingsdown Medical Consultants,*

Ltd. v. Hollister, Inc., 863 F.2d 867, 9 USPQ2d 1384 (Fed.Cir. 1988) U.S. cert. denied 490 U.S. 1067 (1989).

The Federal Court has held that when there is a direct conflict between decisions in the Federal Circuit, the first decision is the precedent. *Atlantic Thermal Plastic Co., Inc. v. Faytex*, 1992 U.S. App. Lexis 19151 (1992). The *B.V.D., supra*, 846 F.2d at 729, 6 USPQ2d at 1720 case is the first Federal Court decision to expound the new principle of law regarding the scope of the famous marks. The Federal Circuit in *Kenner Parker Toys*, which was followed by the Federal Circuit in this case, overruled the court's decision in *B.V.D.* thereby creating a conflict of precedent in the Federal Circuit.

Accordingly, some lower tribunals may choose to follow the precedent in *B.V.D.* and some may choose to follow the rulings in *Kenner Parker Toys, supra*, 22 USPQ2d at 1453 and this decision. Thus, it is respectfully submitted that the Supreme Court should review this decision to resolve the conflict in the Federal Circuit.

III. CONCLUSION

From the foregoing discussion, it is apparent that this Petition raises many issues which are reoccurring and which have a wide impact in an extremely active and commercially important area of the trademark law. The resolution of these issues including (1) the conflict between the Circuits on the question of law or fact; (2) the proper application of Rule 52(a); (3) the significance of third-party use, and; (4) the conflict between decisions within the Federal Circuit is important not only to the parties herein, but to all parties that utilize trademarks as a significant asset in the operation of their business. It is therefore requested that this petition be granted.

Respectfully submitted,

RICHARD BUSHNELL*
CYNTHIA A. BUSHNELL
TREXLER, BUSHNELL, GIANGIORGI
& BLACKSTONE, LTD.
105 West Adams Street, 36th Floor
Chicago, Illinois 60603
(312) 704-1890

* *Counsel of Record*

APPENDIX

United States Court of Appeals for the Federal Circuit

OPINION ANNOUNCING
JUDGMENT OF THE COURT

OPINION FILED AND JUDGMENT ENTERED: JUL 23 1992

The attached opinion announcing the judgment of the court in your case was filed today. The judgment was also entered pursuant to Rule 36. The mandate will be issued in due course.

Costs may be recoverable under Rule 39 or as the court may have directed in the opinion. A party entitled to costs is provided with a bill-of-costs form and an instruction sheet with this notice.

The parties are encouraged to stipulate to the costs. A bill of costs will be presumed correct in the absence of a timely filed objection.

Costs when taxed are payable to the party awarded its costs. If costs are awarded to the government, they should be paid to the Treasurer of the United States. Payment should be made to counsel for the party awarded costs or, if the party is not represented by counsel, to the party pro se. Costs should be paid promptly.

If the court also imposed monetary sanctions, they are payable to the opposing party unless the court's opinion provides otherwise. Sanctions should be paid in the same way as costs.

Exhibits and visual aids shall be promptly retrieved by the party that lodged them with this court.

FRANCIS X. GINDHART
Clerk

CENTURY 21 V CENTURY LIFE OF AMER, 91-1474
(PTO - 75, 090)

Published at: 23 USPQ2d 1698 (Fed.Cir. 1992)

United States Court of Appeals for the Federal Circuit

91-1474

Opposition No. 75,090

CENTURY 21 REAL ESTATE CORPORATION,

Appellant,

v.

CENTURY LIFE OF AMERICA,

Appellee.

Michael A. Grow, Vorys, Sater, Seymour & Pease, of Washington, D.C., argued for appellant.

Richard Bushnell, Trexler, Bushnell, Giangiorgi & Blackstone, Ltd., of Chicago, Illinois, argued for appellee. With him on the brief was Cynthia A. Bushnell.

Appealed from: U.S. Patent and Trademark Office
Trademark Trial and Appeal Board

United States Court of Appeals for the Federal Circuit

91-1474

Opposition No. 75,090

CENTURY 21 REAL ESTATE CORPORATION,

Appellant,

v.

CENTURY LIFE OF AMERICA,

Appellee.

DECIDED: July 23, 1992

Before ARCHER, Circuit Judge, SMITH, Senior Circuit Judge, and RADER, Circuit Judge.

RADER, Circuit Judge.

Century 21 Real Estate Corporation filed Opposition No. 75,090 to Application No. 73/586,190 for registration of CENTURY LIFE OF AMERICA for insurance underwriting services. The Trademark Trial and Appeal Board dismissed the opposition. *Century 21 Real Estate v. Century Life of Am.*, Opposition No. 75,090 (TTAB June 20, 1991). Because the Board improperly applied the *du Pont* factors, this court reverses.

BACKGROUND

Century 21 opposed Century Life's registration of CENTURY LIFE OF AMERICA for insurance underwriting services. Opposer has registered CENTURY 21 for services including real estate brokerage service,[1] insurance brokerage service,[2] and

---

[1] Registration No. 1,063,488, issued April 12, 1977.

[2] Registration No. 1,429,531, issued February 17, 1987.

mortgage brokerage service.[3] Century 21 has also registered CENGUARD for insurance brokerage service,[4] and CENTURYNET[5] for leasing access time to a computer data base for mortgage loan information.

Century 21 — incorporated in 1971 — primarily franchises independent real estate brokers. Since 1978, Century 21 claims more real estate offices as affiliates than any other franchiser. In 1987, Century 21 agents handled 726,000 transactions, and had $55 billion in gross sales of residential and commercial properties. Since 1978, Century 21 has spent nearly $300 million on advertisements. Additionally, franchisees place their own advertisements — up to $125 million annually — using the Century 21 mark.

Before 1982 Century 21 began offering insurance services through its franchisees. The Century 21 offices marketed insurance under the NEIGHBORHOOD PROFESSIONAL INSURANCE AGENCY, INC. mark. This insurance generally protected real estate investments, i.e., homeowners', renters', and condominium owners' insurance. In 1982, Century 21 affiliates began to sell this insurance under the name CENGUARD. Opposer at that time also offered a warranty service under the name CENTURY 21 HOME PROTECTION PLAN. In 1985, Metropolitan Life Insurance Company acquired Century 21 and changed the mark used with the insurance services to CENTURY 21 INSURANCE SERVICES. Registration of CENTURY 21 for insurance brokerage services was issued in February 1987. A customer can purchase automobile, umbrella liability, life, and health insurance from a Century 21 insurance representative.

Applicant was founded in 1879 as the Mutual Aid Society of the German Lutheran Synod of Iowa. Applicant changed its name and organization several times during the ensuing century. In 1984, applicant changed its name to Century Life of America. Applicant made this change despite a Century Life survey which

[3] Registration No. 1,304,095, issued November 6, 1984.

[4] Registration No. 1,330,015, issued April 9, 1985. The Cenguard mark covered homeowners', condominium and mobile home insurance and mortgage life insurance.

[5] Registration No. 1,350,065, issued July 16, 1985.

suggested a strong association in consumers' minds between the word "Century" and CENTURY 21. The Century Life of America name is often shortened to "Century." During his deposition, Century Life's Vice President repeatedly referred to the company as "Century." Advertisements have also abbreviated the company's name to "Century." Applicant primarily sells individual life insurance policies, annuities and security products. Applicant has 35 agency offices that generate premium income of about $120 million per year.

Applicant filed for registration of CENTURY LIFE OF AMERICA on March 5, 1986. Century 21 opposed registration. The Board dismissed Century 21's opposition.

DISCUSSION

This court reviews the Board's fact finding under the clearly erroneous standard. *Kenner Parker Toys v. Rose Art Indus.*, 22 USPQ2d 1453, 1455 (Fed. Cir. 1992). The Board's conclusions regarding confusing similarity, however, are questions of law, which this court reviews *de novo*. *Id.*

The Board determined that opposer had a prior registration of the mark CENTURY 21 for insurance brokerage services. The Board also found that the insurance underwriting services of the applicant were substantially the same as the services identified in opposer's registration of CENTURY 21. The Board noted that many real estate brokers provide insurance brokerage services. The Board also recognized the fame of the CENTURY 21 mark.

This court weighs several factors to determine the likelihood of confusion. The following apply in this case:

> (1) The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression.
>
> (2) The similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use.

(3) The similarity or dissimilarity of established, likely-to-continue trade channels.

. . . .

(5) The fame of the prior mark (sales, advertising, length of use).

(6) The number and nature of similar marks in use on similar goods.

. . . .

Weiss Assocs. v. HRL Assocs., 902 F.2d 1546, 1548-49, 14 USPQ2d 1840, 1842 (Fed. Cir. 1990) (reciting factors given in *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973)). The Board erred in its application of these factors. This court reviews the factors relevant to this case in turn.

The word "Century" is central to both the opposer's mark and the application. The Board found that "Century" is the dominant element of CENTURY LIFE OF AMERICA due to applicant's disclaimer of the rest of its mark. Indeed both CENTURY 21 and CENTURY LIFE OF AMERICA begin with that term. Thus, upon encountering each mark, consumers must first notice this identical lead word. Century 21 has registrations of CENTURYNET and CENTURY WRITE which underscore the significance of this initial and central term. Century 21 has also marketed insurance services under variations of this lead term, e.g., CENGUARD. This use of marks featuring variations of "Century" to sell insurance would increase the likelihood that consumers would misconstrue the source of insurance under the mark CENTURY LIFE OF AMERICA. In addition, a survey conducted by the applicant showed a high association in consumers' minds of the term "Century" with Century 21. Finally applicant has shortened its name to "Century," in advertizing, further compounding the likelihood of conveying a confusing commercial impression.

Century 21 musters considerable evidence to show confusing similarity in appearance, sound, connotation, and commercial impression. A proper weighing of this evidence through the lens of the other *du Pont* factors tends to magnify the likelihood of

consumer confusion. For instance, applicant seeks registration of its mark for services identical to opposer's registered use of its mark. This second factor accentuates the likelihood of consumer confusion about the sources of services marketed under similar marks.

The Board, however, gave insufficient weight to the use of these marks on identical services. When marks would appear on virtually identical goods or services, the degree of similarity necessary to support a conclusion of likely confusion declines. *Mobil Oil v. Pegasus Petroleum*, 818 F.2d 254, 258, 2 USPQ2d 1677, 1680 (2d Cir. 1987); *E. Remy Martin & Co., S.A. v. Shaw-Ross Int'l Imports*, 756 F.2d 1525, 1530 225 USPQ 1131, 1134 (11th Cir. 1985); *Exxon Corp. v. Texas Motor Exch.*, 628 F.2d 500, 505 208 USPQ 384, 388 (5th Cir. 1980); *Squirtco v. Seven-Up*, 628 F.2d 1086, 1091, 207 USPQ 897, 900 (8th Cir. 1980). Despite noting that the opposer's and applicant's services were substantially the same, this finding did not alter the Board's improper tolerance for substantial and confusing similarities between the competing marks.

Another relevant *du Pont* factor involves the similarity of trade channels. The Board found that both opposer and applicant advertise in the same media, offer the same services to the same types of purchasers, and employ the same trade channels. These findings enhance the likelihood of confusion. Instead of giving proper weight to this factor, the board discounted this consideration because opposer had not shown that the same insurance agent offered both parties' services. An opposer need not establish the sale of both parties services by the same vendor to show employment of the same trade channels. *Du Pont*, 476 F.2d at 1357. Rather, this factor covers "similarity and dissimilarity of established, likely-to-continue trade channels." *Id.* at 1361. This court does not limit channels of trade to identical stores or agents. Rather a channel of trade includes the same type of distribution channel. For example, this court has held channels of trade identical when products were sold under opposing marks in supermarkets and grocery stores across the country. *Specialty Brands v. Coffee Bean Distrib.*, 748 F.2d 669, 672, 223 USPQ 1281, 1282 (Fed. Cir. 1984). An opposer does not have the burden to show sales of an infringing product by a specific chain of

supermarkets or agents. Rather to invoke this *du Pont* factor, an opposer must show the sale of an infringing product in supermarkets or by agents in general, i.e., in similar trade channels. The Board improperly applied this factor.

This court has acknowledged that fame of the prior mark, another *du Pont* factor, "plays a dominant role in cases featuring a famous or strong mark." *Kenner Parker Toys,* 22 USPQ2d at 1456. The Board acknowledged the fame of CENTURY 21. Nevertheless the Board suggested that the fame of the mark weighed against a likelihood of confusion. In *Kenner Parker Toys,* an opinion issued after the Board's decision, this court clarified that the fame of a mark cannot reduce its protection against confusingly similar marks. *Id.* at 1457. This court stated: "the Lanham Act's tolerance for similarity between competing marks varies inversely with the fame of the prior mark." *Id.* at 1456. Thus, the fame of CENTURY 21 increases the likelihood of confusion with applicant's mark. The Board erred in its consideration of the fame of the mark.

Another *du Pont* factor concerns the use of similar marks on similar goods. Because "Century" is used in a variety of trade names and marks, the Board inferred "that the public would not regard CENTURY as such an unusual term in a trade name or mark that they would expect all companies with CENTURY in their name to be related, or all products or services with CENTURY in their marks to emanate from a single source." *Century 21 Real Estate,* slip op. at 14. The Board incorrectly applied this *du Pont* factor. The relevant *du Pont* inquiry is "[t]he number and nature of similar marks in use *on similar goods.*" *Weiss,* 902 F.2d at 1548, 14 USPQ2d at 1842 (emphasis added). It is less relevant that "Century" is used on unrelated goods or services such as "Century Dental Centers" or "Century Seafoods." The relevant inquiry examines the number and nature of similar marks used for services similar to insurance brokerage services. The paucity of service marks containing "Century" in businesses similar to insurance suggests that CENTURY 21 is indeed a unique mark for insurance services. This factor again magnifies the likelihood of confusion.

Finally, the Board noted that this case was "difficult to resolve." In such instances, "[a]ny doubts about likelihood of

confusion . . . must be resolved against applicant as the newcomer." *In re Hyper Shoppes (Ohio)*, 837 F.2d 463, 464-65, 6 USPQ2d 1025, 1026 (Fed. Cir. 1988); *accord Giant Food v. Nation's Food-service*, 218 USPQ 390, 395 (Fed. Cir. 1983); *SquirtCo v. Tomy Corp.*, 697 F.2d 1038, 1041, 216 USPQ 937, 939 (Fed. Cir. 1983). This is especially true when the prior mark is famous. *Kenner Parker Toys*, 22 USPQ2d at 1458.

CONCLUSION

On this record, a weighing of all the *du Pont* factors show that the CENTURY LIFE OF AMERICA is likely to cause confusion with CENTURY 21 for insurance services. The Board improperly concluded that applicant's mark would not cause confusion about the source of identical products. Therefore, the Board's dismissal of Century 21's opposition is

REVERSED.

Hearing:
February 20, 1991

SDB
Paper No. 137

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Century 21 Real Estate Corporation
v.
Century Life of America

Opposition No. 75,090, to application Serial No. 73/586, 190, filed March 5, 1986

Michael A. Grow of Ward, Lazarus & Grow for Century 21 Real Estate Corporation.

Richard Bushnell of Trexler, Bushnell, Giangiorigi & Blackstone, Ltd. for Century Life of America.

Before Seeherman, Hanak and Hohein, Members.

Opinion by Seeherman, Member:

Century 21 Real Estate Corporation has opposed the application of Century Life of America, d/b/a Century Companies of America and Century Life of America, to register CENTURY LIFE OF AMERICA, with the words LIFE OF AMERICA disclaimed, for insurance underwriting services.[1] As grounds for opposition opposer alleges that it is the owner of the mark CENTURY 21 for insurance services, real estate brokerage services, mortgage brokerage services, securities brokerage services and related financial services; that it owns registrations for CENTURY 21 for real estate, mortgage brokerage and

---

[1] Application Serial No. 73/586,190, filed March 5, 1986 and asserting first use and first use in commerce on or about December 31, 1984.

insurance brokerage services, for CENTURY 21 and design for mortgage brokerage services and for the sale of securities, for CENGUARD for insurance brokerage services, and for CENTURYNET for leasing access time to a computer data base for mortgage loan information; that it is the prior user of CENTURY 21 for insurance, real estate brokerage, securities brokerage and related financial services, and of CENGUARD for insurance brokerage services; that its marks are well known; that applicant's services are closely related to opposer's, and applicant's mark so resembles opposer's marks, such that applicant's use of its mark is likely to cause confusion or mistake or to deceive; and that applicant failed to use its mark as a service mark prior to the filing of its application.

Applicant has denied these allegations in its answer.

The record includes the pleadings; the file of the opposed application; the testimony, with exhibits, of opposer's witnesses Bruce Oseland, Harold M. George, William P. Murphy, and Louis W. Jenkins, and applicant's witnesses Robert William Bush, Linda Lorraine Tyler and Diana Beschorner, and documents stipulated to have been taken from applicant's business records. Opposer has also made of record, by its notice of reliance, Office Actions from certain of its applications; portions of the discovery depositions, with exhibits, of Robert William Bush, Justin Tolan, Larry Secrist, Irving Burling, James Lyons, Leslie Smith, Richard Landberg and Paul C. Sohm; applicant's answers to certain of opposer's interrogatories; excerpts from telephone directories; and registrations for the following marks owned by opposer:

CENTURY 21 for insurance brokerage services; [2]

CENTURY 21 for real estate brokerage services; [3]

CENTURY 21 for mortgage brokerage services and assisting lending institutions in the processing of loans;[4]

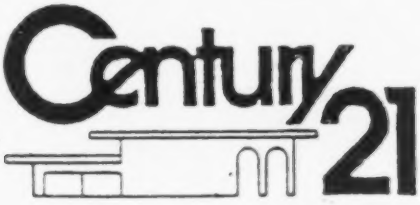
---

[2] Registration No. 1,429,531, issued February 17, 1987.

[3] Registration No. 1,063,488, issued April 12, 1977; Section 8 affidavit accepted.

[4] Registration No. 1,304,095, issued November 6, 1984; Section 8 affidavit accepted; Section 15 affidavit received.

CENTURY 21 and home design, depicted below, for mortgage brokerage services and assisting lending institutions in the processing of loans; [5]



CENTURY 21 and home design for sale of real estate securities on behalf of real estate limited partnerships owned by others;[6]

CENGUARD and design, depicted below, for insurance brokerage services, i.e., homeowners', condominium and mobile home insurance and mortgage life insurance;[7]

CENTURYNET for leasing access time to a computer data base for mortgage loan information;[8]

---

[5] Registration No. 1,312,599, issued January 1, 1985; Section 8 affidavit accepted.

[6] Registration No. 1,377,553, issued January 7, 1986.

[7] Registration No. 1,330,015, issued April 9, 1985. The computerized records of the Patent and Trademark Office do not reflect at this point whether a Section 8 affidavit has been filed.

[8] Registration No. 1,350,065, issued July 16, 1985.

CENGUARD for insurance brokerage services, i.e., homeowner's, condominium and mobile home insurance and mortgage life insurance;[9]

CENTURY 21 MORTGAGE CORPORATION and home design (Mortgage Corporation disclaimed) for mortgage brokerage services and assisting lending institutions in the processing of loan applications;[10]

CENTURY 21 SECURITIES CORPORATION and home design (Securities Corporation disclaimed) for providing technical assistance in the establishment and operation of businesses providing brokerage of real estate securities and related consulting services;[11]

CENTURY 21 SECURITIES CORPORATION and home design (Securities Corporation disclaimed) for real estate securities' brokerage services;[12]

CENTURY 21 and home design for real estate brokerage services[13]

CENTURY 21 REAL ESTATE and design, shown below, (Real Estate disclaimed) for real estate brokerage services;[14]

[9] Registration No. 1,441,447, issued June 2, 1987.

[10] Registration No. 1,307,407, issued November 27, 1984; section 8 afidavit acepted; Section 15 affidavit received.

[11] Registration No. 1,353,228, issued August 6, 1985.

[12] Registration No. 1,381,766, issued February 4, 1986.

[13] Registration No. 1,085,040, issued February 7, 1978; Section 8 affidavit accepted.

[14] Registration No. 1,071,592, issued August 16, 1977; Section 8 affidavit accepted; Section 15 affidavit received.

> CENTURYWRITER for computer hardware, namely, terminals, printers and central processing units; and computer programs and program manuals sold as a unit for use in the fields of real estate, insurance and mortgages.[15]

Applicant has, pursuant to Trademark Rule 2.120 (j) (4), relied on additional portions of the discovery depositions made of record by opposer, and has also relied on excerpts from telephone directories and newspapers. The parties have extensively briefed the case, and both were represented at an oral hearing before the Board.

Opposer was formed in 1971, and its primary business is the franchising of independent real estate brokers. These franchisees operate under the name CENTURY 21 and a "doing business as" name, for example, Century 21 Jones Realty. Opposer has been very successful, and since 1978 has ranked Number 1 in terms of the real estate offices affiliated with it, with almost 6,000 such offices in the United States by that year. In 1983 the gross sales volume of residential and commercial properties sold by its franchisees amounted to $30 billion, representing 500,000 transactions, while by 1987 this figure rose to $55 billion and 726,000 transactions, making opposer the highest ranked organization in the country in both categories.

Opposer conducts national advertising with monies contributed by its franchisees and regional offices. In 1988 the national advertising fund amounted to $40 million. Since 1978 network television has been the primary medium for opposer's national advertising efforts; however, the national fund is also used for radio commercials and for print advertisements. The latter are placed in such national publications as "The Wall Street Journal", "Forbes", "Fortune", "Time", "Newsweek", "TV Guide" and "Readers' Digest". Since 1978 almost $300 million has been spent by the national fund on media advertisements. In addition, the

---

[15] Registration No. 1,551,675, issued August 15, 1989. Two other registrations submitted with opposer's notice of reliance, No. 1,164,917 for CENTURY 21 and design for real estate brokerage services, and No. 1,227,831 for CENTURY 21 INVESTMENT SOCIETY and services, and No. 1,227,831 for CENTURY 21 INVESTMENT SOCIETY and 21 design (Investment Society disclaimed) for educational services—namely, training real estate brokers and sales associates, were cancelled pursuant to Section 8 of the Trademark Act.

franchisees place their own advertisements in local newspapers (classified ads) and homes magazines, in classified telephone directories, and on billboards and radio. These expenditures are approximately three times that spent on opposer's national advertising fund, and can amount to another $125 million annually.

Opposer's CENTURY 21 mark has achieved strong recognition by the American public. In a 1979 survey of homeowners in the United States, 42% named Century 21 as a national real estate organization without any prompting, and 80% said they had heard of Century 21 when shown the name. The latter figure rose to 89% when the survey was repeated in 1989.

Opposer is a subsidiary of Metropolitan Life Insurance Company, which acquired it in 1985. Its sister subsidiaries include Century 21 Insurance Services, Inc., which sells insurance through Century 21 franchisees, Century 21 Mortgage Corporation, which provides access to mortgage funding to Century 21 franchisees, and Century 21 Securities Corporation, which provides training to Century 21 franchisees to obtain securities licenses, and works with other companies to package real estate limited partnerships for sale by Century 21 franchisees.

Beginning in 1978 opposer started to develop full-service franchisees, and today the franchisees provide an array of services, including mortgage and insurance and commercial investment sales, as well as the sale of securities and some automation. Real estate brokerage, however, remains the primary business.

With respect to opposer's insurance services, some time prior to 1982 opposer's subsidiary began offering insurance services through the CENTURY 21 real estate franchisees' offices, under the mark NEIGHBORHOOD PROFESSIONAL INSURANCE AGENCY, INC. This insurance was geared to real estate, and included homeowners', renters' and condominium owners' insurance.

In 1982 the subsidiary's name was changed to Cenguard Insurance Agency, and opposer began using the mark CENGUARD for its insurance services. The extent to which these

services could be offered was dependent on the number of CENTURY 21 real estate franchisees who obtained state licenses to sell insurance, and the number of states which approved the sale of opposer's insurance products. By December 1984 CENGUARD insurance services were offered by 828 offices operating in approximately 23 states. Those CENTURY 21 real estate franchisees who chose to participate in opposer's CENGUARD insurance program were permitted to sell only CENGUARD insurance, and this insurance was limited to real estate-related products such as homeowners, renters, dwelling fire and mortgage life.

After opposer was acquired by Metropolitan Life Insurance Company in 1985, the name of opposer's insurance company was again changed, to Century 21 Insurance Services, and the opposer's insurance operation has been marketed under this name since then. (We note that even when opposer's insurance services were sold under the mark CENGUARD, opposer offered a service called CENTURY 21 HOME PROTECTION PLAN, under which opposer warranted the major systems and appliances in a home being sold or purchased. By June 1985 this service was available in 27 states.) Approximately 1400 of opposer's franchisees now are part of its insurance program. Premium income on policies written in 1988 amounted to $16 million, although the income for the preceding year was $1.3 million. CENTURY 21 real estate franchisees who choose to participate in the current program have three options: 1) an account executive, who is an employee of Century 21 Insurance Services, not the franchisee, can run an insurances services desk in the franchisee's office; 2) the franchisee, as a licensee of Century 21 Insurance Services, can sell homeowners' insurance without the help of an account executive, but would refer the sale of complicated insurance products to an account executive; and 3) the Century 21 real estate franchisee can sell insurance in the same manner as an independent insurance agent, with no restriction on which companies he represents as long as one of the lines he sells is from Metropolitan Life. With the first two options the real estate franchisee can sell only Century 21 Insurance Service products, although the account executive can have relationships with other providers. Thus, a customer who goes to a CENTRUY 21 insurance representative has access to a multiline of insurance

products through Metropolitan Life, including autombile, umbrella liability and life and health. Ninety percent of the franchisees participating in the insurance program choose Option 1.

Opposer has also presented some testimony to the effect that some of its CENTURY 21 real estate franchisees also operate as independent insurance agents. Opposer's witnesses have testified that they were aware of some examples of this occurring through the years, beginning in the 1970's. However, these are independent insurance operations, and not under the aegis of opposer, and their activities cannot be considered part of opposer's business or inure to opposer's benefit.

Applicant was founded in 1879 as the Mutual Aid Society of the German Lutheran Synod of Iowa to serve Lutheran ministers and laymen. In 1917 it changed its organization to that used by old line insurance companies, and changed its name to Lutheran Mutual Aid Society. The name was changed again in 1937 to Lutheran Mutual Life Insurance Company.

In 1970 the company changed its by-laws, so that sales were no longer limited to Lutherans. As a result of opening its customer base, applicant began, in 1975, to consider the possibility of adopting a less limiting name. Beginning in 1981 a number of studies were conducted both internally and by various consultant companies. These studies included determining the characteristics that applicant should project, and ascertaining the images the public associated with particular words. As a result of these rather extensive studies, in June 1984 applicant decided to change its name to Century Life of America, and the changeover was effected on December 28, 1984.

Today, applicant's principal business is the selling of individual insurance policies, primarily life insurance, annuities and security products. Its customers are largely families. Sales amount to approximately $1½ billion a year, with premium income on new policies of about $120 million. Applicant operates throughout the Midwest, from Pennsylvania to Nebraska, and on the West Coast and in Texas, although most of its business in [sic is] concentrated in the states of Iowa, Minnesota, Wisconsin, Illinois and Indiana. It sells its insurance products through a field force of 500 salespeople, all of whom are employees

of the company, and who work out of 35 agency offices. Less than 2% of applicant's business comes from independent brokers, and such brokers are those with whom its field managers have a personal relationship. Applicant does not accept any outside brokerage business.

Applicant's advertising expenditures are normally about $300,000 per year, although in 1985 this figure rose to $1.3 million because of additional promotion of the name change to CENTURY LIFE OF AMERICA. Advertising by individual salespeople and agents represents an additional $60,000-$70,000 annually, with $150,000 being spent by these sources during the year the name was changed. Applicant advertises its services primarily in print media, including newspapers, magazines and brochures, along with some radio and, in connection with the name change, local television.

Before beginning our analyis of the issues, an initial comment. Both parties have submitted extensive evidence and have raised many arguments in their briefs. In order to prevent this opinion from becoming unduly lengthy we will not set forth and address each argument or respond to each point raised, but will concentrate on those which are most germane to our decision.

At the outset, we find that priority is not in issue in view of opposer's various registrations, including its registrations for CENTURY 21 for insurance brokerage and real estate brokerage services, which it has made of record. *King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). We note that applicant has argued that it has made prior use of CENTURY in a trade name and a mark, but in the absence of a counterclaim for cancellation such arguments can have no impact on the issue of priority.

There is also no issue that applicant's insurance underwriting services, as identified in its application are substantially the same as the insurance brokerage services identified in opposer's registration No. 1,429,531 for CENTURY 21, since both identifications encompass the selling of insurance. Further, the record shows that there is a relationship between real estate brokerage services and insurance services, in that many real estate brokers also provide insurance brokerage services.

Turning to the marks, we begin our consideration with the principle that, while marks must be compared in their entireties, there is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature of a mark. See, *In re National Data Corp.*, 753 F.2d 1056, 224 USPQ 749 (Fed. Cir. 1985). In the case of applicant's mark, CENTURY LIFE OF AMERICA, we find that CENTURY is the dominant element, the descriptive phrase LIFE OF AMERICA having been disclaimed. Opposer's CENTURY 21 mark, on the other hand, must be considered a unitary term, with equal weight given to both elements of the mark. In reaching this conclusion, we have considered the two cases cited by opposer in which other tribunals have found CENTURY to be the dominant part of the CENTURY 21 mark. [16] We do not know the evidence before those courts which led to their findings, but the record before us clearly demonstrates that the "21" has an equal significance in the mark as the word CENTURY. For example, in its advertisements opposer frequently uses such phrases as "America's Number 1 Top Seller, Century 21" and "Put your trust in Number One, CENTURY 21", the latter being a jingle used in television commercials. This rhyming and repetition of "Number 1/CENTURY 21 serves to emphasize the presence of "21" in the mark. Further, opposer has advertised the availibility of its brochure, "21 Reasons Why CENTURY 21 Should Sell Your House For You", which again emphasizes the 21 portion of its mark. In addition, many of the print advertisements which opposer has submitted show opposer's registered CENTURY 21 and home design mark (see above), in which the numeral 21 is depicted in the largest type.[17]

---

[16] *Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175, 6 USPQ2d 2034 (9th Cir. 1988); *Century 21 Real Estate Corp. v. Century Resorts Int'l, Inc.*, 211 USPQ 227 (N.D. Ill. 1981).

[17] We note that opposer owns registrations for two "CENTURY" marks which do not include the element "21", namely CENTURYNET and CENTURYWRITER, but they are for, respectively, "leasing access time to a computer data base for mortgage loan information" and "computer hardware, namely, terminals, printers and central processing units; and computer programs and program manuals sold as a unit for use in the fields of real estate, insurance and mortgages." From these identifications it appears that the services are directed to brokers, rather than customers, and we cannot assume any familiarity with these marks, let alone fame, by the general public.

Comparing the marks in their entireties, we find that, despite the presence of the word CENTURY in both marks, the marks convey different commercial impressions. CENTURY LIFE OF AMERICA, with its dominant element CENTURY, suggests something that has been around for a long time, is established, and, in effect, reflects the past, while CENTURY 21 suggests innovation and the future. Accordingly, we find that, in general, confusion is not likely to result from the contemporaneous use of opposer's and applicant's marks even for such substantially identical services as insurance underwriting and insurance brokerage, or for the related services of insurance underwriting and real estate brokerage.[18]

Our finding is buttressed, but not dependent on, the third-party evidence submitted by applicant. This evidence includes 183 articles and advertisements which appeared from January through April, 1988 in newspapers throughout the country and

---

[18] We would point out that the results of the survey commissioned by applicant in connection with the choosing of a new name does not affect our conclusion. In that survey respondents were asked "What ideas or impressions does the word Century suggest to you when used in a company name?" While the impression most often communicated by the word is the image of "old/established/been around for a long time" (78% of the responses), 17% of the responses were real estate or the real estate company Century 21. Aside from the fact that the latter responses constitute a relatively small percentage, we cannot consider the responses to have a real bearing on the commercial impressions conveyed by the parties' marks, or on the issue of likelihood of confusion. This deliberately open-ended question, which in effect asks respondents to give all the images which they associate with the word "Century," really elicits nothing more than word associations (10% of the responses were 100 or 100 years). We cannot extrapolate from this survey how people would react in the marketplace when viewing the mark CENTURY LIFE OF AMERICA in connection with insurance underwriting services. To do otherwise, and assume that people make a connection between every mark containing the word CENTURY and opposer's mark CENTURY 21 would, in effect, give opposer a monoploy in the word CENTURY.

The limited scope of the survey, i.e., to determine word image association, and therefore the limited value of the survey in terms of determining likelihood of confusion, is further emphasized by another question asking respondents "Are there any companies you can think of that use this word [Century] in their name?" The fact that 88% of the respondents could name such companies, and that the main companies mentioned were Century 21 Real Estate, Century Insurance and 20th Century Fox, does not show that the respondents think these companies are related.

which referred to trade names or trademarks which contained the word CENTURY, and approximately 2000 listings consisting of or beginning with the word CENTURY, taken from 184 classified telephone directories covering geographic areas throughout the United States. One of applicant's witnesses telephoned a selection of these directory listings, and reported the manner in which 100 entities answered her calls, finding that approximately 90% answered with the name listed in the telephone directory, i.e., a name beginning with the word CENTURY. While this evidence does not prove that the various companies which were called or were listed in the directories and newspapers actually operate under the particular trade names or marks, it does show that the public has been exposed to references to CENTURY in both trade names and marks.[19] From this we can infer that the public would not regard CENTURY as such an unusual term in a trade name or mark that they would expect all companies with CENTURY in their names to be related, or all products or services with CENTURY in their marks to emanate from a single source.

In reaching our conclusion on the issue of likelihood of confusion we have taken into consideration the fame of opposer's mark. Famous marks, of course, may be entitled to a broader scope of protection in order to prevent consumer confusion. *Specialty Brands, Inc. v. Coffee Bean Distrib., Inc.*, 748 F.2d 669, 223 USPQ 1281 (Fed. Cir. 1984). We have no doubt, based on the evidence of record, that opposer's CENTURY 21 mark is famous for real estate brokerage services. (We note that opposer has not demonstrated that the mark is similarly well known for insurance brokerage services. That is, while opposer has shown that its CENTURY 21 insurance services are advertised in various media, opposer has not provided any information as to the amount of money it has spent on such advertising. Further, in many of the examples of the insurance advertising the real focus of the advertising is opposer's CENTURY 21 real estate

---

[19] We reiterate that we have not treated applicant's telephone-check activities as a scientific survey from which an extrapolation can be made that 90% of all the directory listings made of record reflect businesses which answer their phones under a CENTURY trade name, or that all of the listings are currently operational. Indeed, on rebuttal opposer has shown that some are not currently listed or in service. Our treatment of this evidence is solely as indicated above.

brokerage services and the references to CENTURY 21 insurance, which are subsidiary, are not likely to be noted or remembered. In addition, the new premium income generated from sales of opposer's insurance policies—$1.3 million in 1987 and $16 million in 1988—does not support a conclusion that CENTURY 21 is famous for insurance brokerage services. This is particularly apparent when these figures are compared with those of opposer's parent company, Metropolitan Life Insurance Company, which opposer's witness described as a leading insurance company with 40 million policyholders and assets of more than $114 billion, or even when they are compared with applicant's new policy premiums of $120 million.)

In any case, the fame accruing to opposer's mark is to CENTURY 21, not the word CENTURY alone. As the Federal Circuit said in *B.V.D. Licensing Corp. v. Body Action Design, Inc.*, 846 F.2d 727, 6 USPQ2d 1719 (Fed. Cir. 1988):

> The fame of a mark cuts both ways with respect to likelihood of confusion. The better known it is, the more readily the public becomes aware of even a small difference. BVD has that well-known quality which would trigger the observer to notice at once that B A D, with or without the periods in either mark, is a different symbol.

Just as in that case, we think that consumers, who are used to seeing and treating opposer's mark as the unitary CENTURY 21, would immediately recognize that applicant's mark does not contain the "21".

This brings us to another factor which must be considered in determinations of likelihood of confusion: the care that the prospective purchaser will take in making his purchase. Because insurance is a thought-out, rather than an impulse purchase, the purchaser would be aware of the mark of the company rendering the insurance services, and thus would be aware that CENTURY LIFE OF AMERICA differs from CENTURY 21. Moreover, if, as indicated above, the prospective purchaser had any question about a connection between CENTURY LIFE OF AMERICA and CENTURY 21, this same careful purchaser would be likely to ask that question. In this regard, we note that both

opposer and applicant sell their insurance by direct, one-on-one contact with their customers, so the customers would certainly have an opportunity for such questions.

With respect to trade channels and purchasers, we agree with opposer that the parties' target audience is the same, and that both parties' insurance products are sold by agents who are licensed to do so. Here, however, the similarity ends. Opposer's CENTURY 21 insurance is sold only by its real estate franchisees, and opposer's scenario of independent brokers handling both companies' insurance products is not supported by the record. We agree that there is a theoretical possibility that 1) a CENTURY 21 real estate franchisee who participates in the CENTURY 21 insurance program under Option 3, so that he is permitted to handle other companies' insurance lines, could also sell applicant's CENTURY LIFE OF AMERICA insurance, or 2) that a CENTURY 21 real estate franchisee who also operates an independent insurance agency could sell applicant's insurance in an office filled with CENTURY 21 advertising.[20] However, the opposer must prove likelihood of confusion, not mere theoretical possibilities.[21] Opposer has submitted no evidence whatsoever that either of these events has ever occurred. Further, opposer has not provided any evidence as to either the number of CENTURY 21 insurance program participants who sell other companies' insurance products or the number of real estate franchisees who also have independent insurance operations, the companies they represent or the kind of insurance that they sell, from which we can conclude that there is any likelihood of this theoretical possibility's occurring. Thus, we find that the extent

---

[20] There is also a theoretical possibility that, because opposer's registration is for CENTURY 21 for insurance brokerage services per se, opposer could render its insurance brokerage services separate from its real estate brokerage services, and that, theoretically, a CENTURY 21 insurance broker could sell CENTURY LIFE OF AMERICA insurance. Opposer has not provided any evidence demonstrating that such a situation has occurred or is likely to occur.

[21] Opposer has also raised arguments relating to the possibility of confusion in connection with the parties' investment services and in connection with applicant's conceivably turning to real estate services. Neither of these services are at issue in this proceeding. Applicant's application is for insurance underwriting services, and the question of confusion relating to a possible future real estate business or to investment services is not before us.

of potential confusion is de minimis. See, *In re duPont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

Finally, opposer argues that applicant adopted its CENTURY LIFE OF AMERICA mark in bad faith, seeking to trade on opposer's good will. Opposer bases its position largely on the fact that applicant knew of opposer and opposer's registrations for CENTURY 21 at the time it adopted the mark, and knew, from the survey it had taken (see footnote 18) that real estate or Century 21 real estate was one of the responses to the images associated with the word Century.

We are not persuaded that the record supports opposer's position. In 1979 applicant began offering a new line of insurance policies under the mark CENTURY II, which was chosen to indicate that applicant had entered its second century of business. Applicant also had formed, in 1980, a subsidiary called Century Life Insurance, which was created to get the benefit of certain tax rules.[22] In view of these uses of CENTURY in applicant's

---

[22] Opposer had objected to applicant's citing inadmissible evidence from the discovery depositions of its own officers as to applicant's motives in choosing its mark. Applicant had originally filed a notice of reliance on all those portions of the discovery depositions taken by opposer on which opposer did not rely. Opposer moved to strike this material because applicant had failed to provide a statement explaining why it needed to rely upon the additional portions, as required by Trademark Rule 2.120(j) (4). The Board granted opposer's motion, but allowed applicant to file an amended notice of reliance. Opposer has objected to the amended notice on the basis that it, too, does not comply with the rule.

We agree with opposer that some of the material on which applicant now seeks to rely is not appropriate for submission under rule 2.120 (j) (4). Although applicant has provided an explanation as to why it needs to rely on the material, in many cases the explanation is that the material is relevant to a particular issue, or that it rebuts part of opposer's case. The purpose of this rule, however, is to provide that where a party relies on only part of a discovery deposition, the adverse party may introduce any other part of the deposition which should be considered so as to make not misleading what was offered by the submitting party. If the additional material is not necessary to make the original portion of the deposition not misleading, the fact that it may be relevant to an issue in the case, or that it serves to rebut certain arguments, is of no moment. It is not appropriate for submission under Rule 2.120 (j) (4).

While we have not considered the portions of the discovery depositions about which opposer's objection is well taken, the information regarding applicant's use of CENTURY II and Century Life Insurance is not taken from such depositions.

business, which occurred before any date on which the record shows that opposer itself began offering insurance services,[23] we do not think it odd that CENTURY names were among the initial candidates applicant considered in connection with its name change.

As for applicant's knowledge of opposer, the record shows only that applicant knew of opposer in connection with real estate services. There is no evidence that applicant knew that opposer was engaged in insurance brokerage activities at the time applicant began using its mark. The search report does not reveal an application or registration for CENTURY 21 for insurance brokerage services; indeed, the application for this registration was not filed until July 7, 1986, and the registration did not issue until February 17, 1987 (applicant voted to adopt CENTURY LIFE OF AMERICA as its mark in June 1984, effective December 1984).

Applicant has explained that despite the word association between Century and real estate/Century 21 shown by the survey it did not believe there was a conflict because of applicant's experience in the marketplace, and because the additional words LIFE OF AMERICA in applicant's mark sufficiently distinguished it from CENTURY 21. We find this explanation to be credible and, as to the latter point, to coincide with our own view.

We must confess that this case has been very difficult to resolve. Opposer, in particular, has vigorously argued its case, citing portions of the record and various principles of trademark law which, superficially, would militate toward sustaining the opposition. However, determinations of likelihood of confusion cannot be made on a formalistic application of trademark principles. Upon a close examination of the entire record, and

---

[23] We note opposer's testimony that some of its real estate franchisees also had insurance businesses in the 1970's, but such insurance operations cannot be considered part of opposer's activities. Even assumining, *arguendo*, that these independent insurance agencies were operated under the CENTURY 21 name (a position that would be antithetical to opposer's interests since it would indicate that opposer had acquiesced in unlicensed third-party use of its mark), any such use by independent agents of CENTURY 21 for insurance services would not inure to the benefit of opposer.

a consideration of all the applicable *DuPont* factors in light of that record, we are convinced that confusion is not likely.

This brings us to the second ground of the opposition, namely, that applicant had not used its mark at the time it filed its application on March 5, 1986. Among the documents of record is a form for application of insurance or annuity. This form depicts CENTURY LIFE OF AMERICA in large capital letters, next to a stars and stripes design, centered at the top of the first page. (The relevant portion of the form is shown below.)

APPLICATION FOR
INSURANCE OR ANNUITY

CENTURY
LIFE OF
AMERICA

Part I

Heritage Way, Waverly, Iowa 50677

1. Full Name of Proposed Insured (Please Print)	9. LIFE INSURANCE OR ANNUITY

We find that the phrase CENTURY LIFE OF AMERICA is used as a service mark on this application form. There are three such completed forms, two bearing signature dates of January 2, 1986, and one dated January 27, 1986. [24] Clearly, the forms were signed before the filing of the application.

Opposer argues that there is no evidence that the customers applying for insurance saw the mark on the dates they signed the forms because the mark appears on the front of the form and the insurance applicants' signatures appear on the back and, thus, there was no valid service mark use. While it is correct that applicant's agents could not testify that the customers did, in fact, review the forms, the evidence shows that the applications, including all the information on the first page, were filled out in front of them. We note from the forms that much of the information required must be provided by the customer, and the

---

[24] Opposer has objected that applicant "should not be allowed to rely on these documents since its vice president testified that the documents existed in files located at the companies (sic) headquarters but had not been produced by the company in response to document requests that asked for them." Brief, p.25, ftnt. 13. Aside from the fact that opposer has not provided a copy of the relevant document production request, we note that the applications were produced during the discovery depositions taken by opposer of Messrs. Landberg and Sohm, and were submitted by opposer with its notice of reliance.

customer's signature is a "represent [ation] that the statements and answers in all parts of this application consisting of Parts I and II are true and complete to the best of my knowledge and belief." In such circumstances, we find it difficult to believe that the customer would not, either prior to signature or while the information was being entered, at the very least notice the first page of the document.

Moreover, opposer's position is entirely too rigid. By the use of the mark on its insurance application form, and the offering of insurance services to the public through the mechanism of that form, applicant made actual use of its service mark in a public manner. There is no specific requirement that a service mark must be seen to be considered to be in use. Radio advertising, for example, can constitute acceptable service mark use.

We find that CENTURY LIFE OF AMERICA is depicted on the insurance application form in the manner of a mark, and that this form was used in a public manner in connection with the offering of insurance underwriting services, prior to the filing date of applicant's application for service mark registration. Accordingly, we need not discuss any of the other documents on which applicant relies to show service mark use prior to March 5, 1991.

Decision: The opposition is dismissed as to both grounds.

/s/ E.J. Seeherman

E. J. SEEHERMAN

/s/ E.W. Hanak

E. W. HANAK

/s/ G. D. Hohein

G. D. HOHEIN
Members, Trademark
Trial and Appeal Board

CC: MICHAEL A. GROW
WARD, LAZARUS & GROW
Washington, DC

RICHARD BUSHNELL
TREXLER, BUSHNELL, GIANGIORGI
& BLACKSTONE, LTD.
Chicago, IL

JUN 20 1991 date of original decision
10 AUG 1992 date released for publication